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USDOC FOR 532/OEA/M.N-DORSEY/KGAINES/JAY HATFIELD  
USDOC FOR 3131/USFCS/OIO/ANESA/KREISSL  
USDOC FOR 4530/MAC/ANESA/OSA  
ICE HQ FOR STRATEGIC INVESTIGATIONS  
STATE FOR EB/ESP

E.O. 12958: N/A

TAGS: ETTC ETRD BEXP IN

SUBJECT: EXTRANCHECK: POST-SHIPMENT VERIFICATION: SANDVIK ASIA LTD.,  
GUJARAT, LICENSE NO. D343053

REF: USDOC 03872

¶1. Unauthorized disclosure of the information provided below is prohibited by Section 12(c) of the Export Administration Act.

¶2. BIS requested a Post-Shipment Verification (PSV) at Sandvik Asia Ltd. (Sandvik), Tel: 91-2764-283-313 and 91-2764-283-314, Cell: 982-532-4618, email: jagdish.gajjar@sandvik.com. Sandvik was listed as the Ultimate Consignee and Shanbhag & Associates (Shanbhag), Mumbai as the Foreign Purchaser for one model 5703-080 half-inch, air-operated double diaphragm pump controlled under ECCN 2B350. The license applicant was Lutz-Pumpen GmbH (Lutz), Wertheim, Germany.

¶3. Though reftel was transmitted to Post on April 27, 2007, BIS New Delhi received it on May 22, 2007. On May 18, 2007, Post received an email from Jay Hatfield (BIS/OEA) containing scans of various documents relating to this transaction. On May 21, 2007, BIS New Delhi advised BIS/OEA that they were not in receipt of the original action cable for this PSV. Post's Communications Office was able to locate and forward to BIS New Delhi the action cable for this PSV.

¶4. Lacking valid telephone numbers, BIS New Delhi could not immediately establish communication with Sandvik. A subsequent Internet search was also unproductive.

¶5. An email address of Sandvik's Group Leader-Purchase Jagdish Gajjar (Gajjar) was gleaned from the documents sent by BIS/OEA. On May 29, 2007, BIS New Delhi sent an email to Gajjar introducing BIS and requesting facilitation of a PSV at Sandvik for a pump they had purchased from Shanbhag in December 2005. Shanbhag is the exclusive distributor for Lutz-Jesco in India.

¶6. In response to BIS New Delhi's email, Gajjar sent an email to his colleagues stating, "Below is mail, which is self-explanatory, and doing the needful at your disposal." The mail was sent on following email addresses: sanal.kumar@sandvik.com, paresh.desai@sandvik.com. It was copied to taro.rajpal@sandvik.com and BIS New Delhi. On May 30, 2007, BIS received a very unprofessional response from Gajjar: "Hi! Need not to visit our plant." On the same day, FSN Narayan replied and stated that he and ECO would like to discuss the PSV over the telephone with Gajjar and the appropriate Sandvik representatives. On May 31, 2007, FSN Narayan again sent an email reminder to Gajjar and requested his mobile phone number as the telephone numbers listed on his email rang continuously with no response.

¶7. On May 31, 2007, FSN Narayan spoke with Gajjar via telephone. He was not forthcoming and stated that they regularly source products from Shanbhag. He went on to say that there had been reluctance on the part of Sandvik when Shanbhag informed them that the pump would

be sold under an U.S. Department of Commerce export license. He further stated that Shanbhag insisted that it would not pose any problem and that Shanbhag and its U.S. supplier (Lutz-Jesco) would handle all formalities.

¶8. In addition, Gajjar stated that it would be difficult to locate one specific pump within the plant and the documents relating to this transaction. FSN Narayan asked for contact information for the most senior corporate officer at the Sandvik plant. Gajjar provided the name of Vice President Ajay Sambrani (Sambrani). He declined to provide Sambrani's mobile telephone number. The office number he provided was not valid. Therefore, on two occasions, BIS New Delhi sent via fax a letter to Sambrani requesting a PSV at the Sandvik plant. BIS New Delhi received no response from Sambrani. On June 1, 2007, ECO sent a hard copy of the letter to Sambrani by registered mail. BIS New Delhi received no response. On June 14, 2007, ECO sent Sambrani another registered letter. The letter informed Sambrani that if the PSV had not been scheduled by close-of-business June 22, 2007, BIS New Delhi would close the case with a finding of UNFAVORABLE and this would undoubtedly have a negative impact on Sandvik's ability to import additional licensed products of U.S. origin. As of June 25, 2007, BIS New Delhi still has not received a response from Sambrani.

¶9. Recommendation: In view of Sandvik's unresponsiveness to BIS New Delhi's repeated attempts to establish communication and schedule this end-use check, Post recommends an unfavorable Post-Shipment Verification at Sandvik Asia Ltd. (PSCUSHMAN/PNARAYAN) Mulford